

**ARIZONA STATE PARKS BOARD
SOUTH MOUNTAIN PARK ENVIRONMENTAL EDUCATION CENTER
10409 S. CENTRAL AVENUE, PHOENIX, AZ
SEPTEMBER 18, 2003
MINUTES**

Board Members present:

Suzanne Pfister, Chairman
John Hays
Elizabeth Stewart
William Porter
William Cordasco
Mark Winkleman

Board Members absent:

Gabriel Gonzales-Beechum

Staff present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Mark Siegwarth, Assistant Director, Administrative Services
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Debi Busser, Executive Secretary
Jean Emery, Chief of Resources Management
Janet Hawks, Chief of Operations
Sue Hilderbrand, Acting Chief of Grants

Attorney General's Representative:

Joy Hernbrode, Assistant Attorney General
Patricia Boland, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL

Chairman Pfister called the meeting to order at 9:10 a.m. Roll Call of Board Members indicated a quorum was present.

B. INTRODUCTION OF BOARD MEMBERS AND AGENCY STAFF

Chairman Pfister requested that the Arizona State Parks Board members and staff introduce themselves and invited any members of the public present who wished to do so as well.

C. PUBLIC COMMENT

Chairman Pfister noted that the Board can take Public Comment at any time during the meeting. She suggested that those who wished to address grant applications may wish to speak during that portion of the meeting. She noted that a representative from the City of Phoenix Parks and Recreation wished to speak at this time.

Ms. Sarah Hall, City of Phoenix Parks and Recreation, welcomed the Board to the South Mountain Park Environmental Education Center. She noted that there is a trail that begins in the courtyard that was funded through an Arizona State Parks (ASP) Heritage Trails grant for \$65,000. That trail was just recently completed with a little more work to be done. She invited the Board to explore that trail.

Ms. Hall stated that the primary reason for her presence at this meeting was to request the Board's support and approval of the City of Phoenix' request for funding for the Sonoran Preserve, Phase IV. A great partnership has been formed with the State Land Department and ASP that enabled them to partner over \$17 million over the last three grant cycles for the acquisition of more than 2,000 acres of open space. They have been able to secure most of the South Union Hills as part of their vision for the Sonoran Preserve. This next acquisition, for which they are requesting funding today, is for 848 acres of State Trust Land. It will help to protect the corridor and preserve the landscape of the environment.

D. CONSENT AGENDA

- 1. Approve Minutes of July 16, 2003 State Parks Board Meeting.**
- 2. Approve Minutes of July 17, 2003 State Parks Board Meeting.**
- 3. Approve Executive Session Minutes of July 17, 2003 State Parks Board Meeting**
- 4. Consider Extending the Project End Date for Trails Heritage Fund Grant Project #689905 – Goat Camp Trail Extension/Acquisition** – Staff recommends extending the project end date by 12 months to October 22, 2004 for Trails Heritage Fund Project #689905 – Goat Camp Trail Extension/ Acquisition. AORCC unanimously concurred with this recommendation at their August 26, 2003 meeting.
- 5. Consider Increasing the Grant Award for the Snowflake Heritage Foundation's Historic Preservation Heritage Fund Grant #640221 for the Ericksen Home Foundation Replacement Project** – Staff recommends increasing the grant award for Historic Preservation Heritage Fund Grant #640221 for the Snowflake Heritage Foundation's Ericksen Home Foundation Replacement project by \$20,160 to total \$65,760. At the August 18, 2003 meeting, the Historic Preservation Advisory Committee unanimously concurred with this recommendation.

Ms. Stewart requested that items 4 and 5 be withdrawn for discussion.

Mr. Porter made a motion to approve the Consent Agenda excluding items 4 and 5.

Mr. Winkleman seconded the motion. The motion carried unanimously.

Chairman Pfister called for discussion of Consent Agenda Item 4.

Ms. Stewart noted that it appears there has been a fairly significant amendment to the Scope of the project (the land will not be purchased for the extension of the trail).

Under those circumstances, she questioned whether the Board should not only extend the project end date but also approve the amendment to the Scope from the applicant.

Ms. Hilderbrand responded that the Goat Camp Trail Extension request is the second amendment to this project. This amendment is to really to reduce the length of the trail from 1.5 miles to 1 mile.

Board Action

Ms. Stewart: I move to extend the project end date by 12 months to October 22, 2004 for Trails Heritage Fund Project #689905 – Goat Camp Trail Extension/ Acquisition.

Mr. Winkleman seconded the motion. The motion carried unanimously.

Chairman Pfister called for discussion on Consent Agenda Item 5.

Ms. Stewart stated that she assumed that the money for this project will come from remaining funds from the last grant cycle. The letter to staff was received in April and appeared to be somewhat urgent. She asked if there is a procedure for this type of request to come before the Board in a more timely manner.

Ms. Hilderbrand responded that staff received this request staff in April and it was sent to the Historic Preservation Advisory Committee (HPAC) in June. At that meeting HPAC decided to wait until the Heritage Fund revenue came in. Mr. Ericksen was OK with that decision.

Board Action

Ms. Stewart: I move to recommend increasing the grant award for Historic Preservation Heritage Fund Grant #640221 for the Snowflake Heritage Foundation's Ericksen Home Foundation Replacement project by \$20,160 to total \$65,760.

Mr. Hays seconded the motion. The motion carried unanimously.

E. PARTNERSHIPS AND EXTERNAL AFFAIRS

1. Section Report

Update on Budget Lawsuit (Bennett v. Napolitano)

Ms. Hernbrode reported that the Arizona Supreme Court recently heard argument in the case regarding the Governor's line item veto suit. The Court has not decided whether to take this case. Some of the argument concerns whether or not the legislature has standing to bring this suit or whether it is appropriate for the Court to hear it. This case includes some of the other line item vetoes that the Governor made. When they talked about the line item veto involving the Heritage Fund, the legislators' counsel indicated that the legislature did not contest that the Governor could make that veto. They are contesting that the Arizona Council for the Arts could be funded out of the General Fund. The budget bill provided that the Arizona Council for the Arts is funded at \$1.4 million and that money is transferred from the Heritage Fund to them. The Governor lined out the transfer; the legislature said that is OK. They are really dealing about where that funding, if any, will come from.

Chairman Pfister asked how that affects the Board's funding.

Ms. Hernbrode responded that it affects the Board's funding because that Heritage Fund money would have come to ASP. Theoretically, it will now stay with ASP because of that line item veto.

Chairman Pfister asked if the Board is awarding money today that potentially could be pulled back.

Ms. Hernbrode responded that the money should not be pulled back as a direct result of this lawsuit because the legislature has asserted that they are not contesting that line item veto.

Mr. Travous added that staff find themselves in potentially the same situation as with the Off Highway Vehicle (OHV) Fund where contracts were entered into and then the money was taken away. In looking at funding grants today, he suggested that the Board keep in mind that there is a potential problem on the horizon. At the very least, the applicants need to be made aware that there is a potential problem that staff are monitoring. The Board does not just give them the money; the Board gives them the grant; they spend the money, the Board reimburses them its portion. It behooves everyone to be aware that this lawsuit could change things. The Board needs to be cautious and staff needs to be ahead of the curve on this issue. He suggested that a cover letter be sent with the contract they sign and return noting they are aware of this situation.

Ms. Stewart asked how much money is potentially at stake.

Ms. Hernbrode responded that \$1.8 million is at stake. That entire amount came out of ASP's portion of the Heritage Fund.

Mr. Ziemann added that the entire sweep was \$5 million. The portion for the Council for the Arts was \$1.8 million that was to come from ASP's portion of the Heritage Fund. If the veto goes away, then \$5 million is gone.

Ms. Stewart asked if losing \$5 million is more remote.

Mr. Ziemann responded that it appears that even the legislature's attorneys were saying that the Governor had every right to line item veto. Their concern is the redistribution of the Ladewig settlement.

Chairman Pfister stated that, when the contracts are sent to those receiving Heritage Fund grants, a letter will be sent warning them of the potential for losing this funding.

National Register Report

Mr. Ziemann reported that staff bring these items to the Board's attention before submission to the Historic Sites Review Committee. It is really an information item.

Chairman Pfister asked if the Mesa Mormon Temple will go through the Board.

Mr. Ziemann responded that the Mesa Mormon Temple would come through the State Historic Preservation Office (SHPO). He read the recent article in the paper concerning this issue. He noted that there is great trepidation initially when any private property is listed on the National Register of Historic Places. People believe "big government" is going to come in and dictate to them if they want to change an awning. The fact of the matter is that the property remains private and none of their rights are abrogated, especially at the state level. SHPO has very little right to tell people what to do with their property. The city ordinances are actually more restrictive.

Arizona Preserve Initiative (API) Project Status Report as of August 4, 2003

Ms. Hilderbrand reported that this Status Report is prepared by the Land Department and is a summary of the applications for reclassification. She noted that the last three

items under Applications for Purchase or Leases Filed are new applications to purchase. This is significant because typically these applicants request Growing Smarter funds. Staff expect those applications to arrive in March.

Chairman Pfister noted that this is a wonderful story that doesn't get promoted very well. There are more than 115,000 acres that have been petitioned and a number of them are moving through. When people talk about the importance of preserving open space, the fact that API is working doesn't get a lot of credit. While there's not a lot of drama in that program, it really is a great story.

Mr. Winkleman added that the next auction for Go John Canyon will be held next Wednesday, September 24, at 10:00 a.m. The Desert Foothills Land Trust is the applicant. If all goes as expected, that auction will be successful and another piece will have been purchased with the money well spent.

Ms. Stewart noted that there was a report some time ago that the Land Department was prioritizing applicants based on their perceived ability to follow through with getting their matching funds. She asked if that is still the case and if there is still a backlog in processing the applications.

Mr. Winkleman responded that there is always a backlog. In looking at the number of acres that have been reclassified and the relatively small proportion that has gone through and been purchased, it is still difficult for communities to come up with funding sources to acquire the land, notwithstanding the matching funds the grants provide. Overall, the Land Department allocates resources to work things that can be done and produce money. They do that with the API applications as well. Even more so than in the past, the Land Department needs to see a demonstration of the community's ability to raise the money in order to ultimately be successful.

Growing Smarter Open Space Reserve Grants Program (including Status of Program, Request by Department of Agriculture and Speaker Jake Flake to Transfer Additional Money to the Livestock and Crop Conservation Fund, and Request by the Arizona Center for Law in the Public Interest That the Attorney General Bring Suit Regarding the 2002 Grants)

Mr. Ziemann explained that this is the Growing Smarter Grant Program, an initiative passed by the voters that provided for \$20 million per year to be set aside for the acquisition of State Trust Land for the purpose of preserving open space. Through a quirk in the way that the original initiative was written, it runs for 11 years. In sum, there was to be \$220 million set aside.

Mr. Ziemann noted that the Board received \$20 million in FY 01. Governor Jane Hull admonished the Parks Board to get a cycle of this grant out so that there would be a political demonstration that this program would be a good thing. As it went through the legislature, there are two programs within Growing Smarter. One is the ability for communities and land trusts to use matching funds to acquire State Trust Land. In a political compromise to get votes from rural legislators, who perceived this program as merely benefiting only Phoenix (Maricopa County) and, to a lesser degree, Tucson, an Open Space Reserve Program was established. This program provided that up to 10% (\$2 million) of the Growing Smarter money could be used by individual ranchers who were forced to reduce the size of their herds by the federal or state government.

Mr. Ziemann explained that in the initial year Governor Hull asked the Board to get this program out. At least \$18 million is a grant program very similar to the other grant programs the Board administers. It is something the Board does almost routinely. They are grants to cities, municipalities, counties, and established non-profits. Priorities are established through a Grant Manual. Grants are awarded relatively quickly. The Open Space Reserve Program is entirely different from anything the Board has ever done. It calls for the Board to make a grant to an individual. It becomes problematic in a number of ways. It becomes problematic because whenever a state government touches an individual there should be formal Rules in place to protect the individual. There is also a problem to some degree because it is difficult for staff to protect the public's money. The Board has no recourse to get the money back if an individual misspends it. The Board knows cities are going to be here. This program was problematic from the start. In the initial year this portion of the program was not in place due to the Governor's timeline for rolling out the Growing Smarter grant program.

Mr. Ziemann noted that in the second year of this program, \$18 million went for the land conservation portion. At that point in time the Board had this program in place. With the assistance of the Arizona Department of Agriculture (Ag) and the Conservation Acquisition Board (CAB - the Board's Advisory group) the Board awarded 57 grants to individual ranchers and distributed all but approximately \$100,000 of this money.

Mr. Ziemann added that last year the Board started down this path again. A complaint was registered by a member of the public, Mr. Burgess, who raised questions about the expenditure of this money. Upon advice from the Attorney General's Office, the Board essentially suspended this program in order to proceed to the formal Rulemaking process. This grant was not distributed because Rules were not in place. Pursuit of the Rulemaking process was not completed because Senate Bill 1071 began making its way through the legislature. Governor Napolitano signed it into law, and it takes effect today. Senate Bill 1071 appropriates the \$2 million (dropping the Board's annual appropriation from \$20 million to \$18 million) to Ag.

Mr. Travous added that all the expertise in this area lie with Ag. Senate Bill 1071 was a cooperative effort among ASP, the legislature, and Ag. There was no animosity with this transfer; it was staff's solution to the problem.

Mr. Ziemann referred to a letter from the Speaker of the House wherein he requests that the Board transfer \$4 million to Ag for them to distribute under the auspices of Senate Bill 1071. That \$4 million is from FY 02 and FY 03. After a discussion with the Speaker, Mr. Ziemann's initial reaction was that ASP would prefer to accomplish transfers administratively rather than legislatively. However, staff need to ask the agency's attorneys whether there is any legal way to transfer that money administratively. This becomes a two-part question: a) can we and b) should we.

Ms. Hernbrode stated that the short answer to the question is, "No." The way the legislation is currently written there is no administrative way to perform that transfer. The legislation provides "\$2 million will be transferred" to Ag. It does not make the statute retroactive to FY 01 so that the Board can transfer that money.

Chairman Pfister asked whether this information has been communicated back to the Speaker.

Mr. Ziemann responded that it is too soon. Staff just received the information from counsel yesterday. While the simple way to accomplish the transfer cannot be done, the question of "should we" becomes the more difficult issue. That ultimately becomes the Board's decision.

Chairman Pfister noted that the Speaker will probably run a bill legislatively to amend last year's bill in order to allow the \$4 million transfer to take place, if that is the will of the legislature.

Mr. Ziemann added that it then becomes an issue of whether or not that piece of legislation is something the Board want to support or not. To some degree the Board cannot make that decision until it sees the language.

Chairman Pfister asked if the Board can communicate back to the Speaker their regrets that his request cannot be fulfilled at this time.

Mr. Ziemann responded positively and added that staff will provide a copy of counsel's memorandum.

Ms. Boland stated that she worked with Ms. Hernbrode on the advice given to the Board. She has not had an opportunity to speak with Ag yet. They would welcome an alternative interpretation from Ag if they have one. She noted that the Speaker has another alternative. He could ask for a formal Opinion from the Attorney General's Office. She offered to speak with Ag's attorneys to see if they have come up with alternatives before the Board responds to the Speaker.

Chairman Pfister asked Ms. Boland to do so.

Mr. Ziemann noted that it is only September. There is time. He noted that this issue becomes more complicated by the letter from the Arizona Center for Law in the Public Interest. They did not like this program and how it was run in the past. He suspects they won't like it under its current configuration, either. They have really put counsel in the hot seat because she has to make a recommendation to her boss as to whether he should sue her client.

Mr. Ziemann noted there is no lawsuit in front of the Board yet. This is just a letter for the Board to be aware of. The letter asks the Attorney General to sue the Parks Board and cite violation of the Gift Clause in the State Constitution. If a lawsuit arises from this, then the Board will discuss it in Executive Session. He added that, to his knowledge, the Speaker is not aware of this letter. The Speaker's interest in pursuing this money when it's under the threat of an imminent lawsuit by an organization whose principle purpose is to sue government may decrease.

Chairman Pfister requested that staff monitor this issue carefully. Because the awarding of grants has a time certain, she moved to the next Agenda Item.

F. DIRECTOR'S REPORT

1. Friends of Parks Foundation

Mr. Travous reported that the Board has been discussing forming a Friends of Parks Foundation for some time. He has been meeting with an attorney (Frank Long of Stinson, Morrison & Hecker) who has done work for ASP in the past and is interested in doing some pro bono work to create a foundation for the Board. He has drawn up

some documents. Several meetings have been held to fine tune them. More work needs to be done.

2. The Forrest Donation

Mr. Travous reported the Forrest Donation was received last year from Mrs. Timms-Forrest. It is still sitting in an account and is drawing interest. Part of the suggestion is that part of that money could go into a foundation approach. He will bring suggestions for using that money in the future. He has spoken with the California Parks Director recently to see what they did with their money. They used it for matching funds for some of their parks. They expanded that money. They already have a California Parklands Foundation that has been very active for some time. This issue is not dependent on the foundation idea.

Mr. Travous added that he met with a gentleman from a park in West Virginia that is a city-run park of about 3,000 acres that is run as a non-profit organization. They are looking at creating a \$100 million endowment. Literally everything that they are doing now is endowment-driven. If someone wants to redo the seats in their theater they can do it for \$100,000. Because they couldn't guarantee that person's descendants would be there, they say they really need \$300,000 and guarantee that the extra money would be placed in the endowment so that it will always be done that way. They have three golf courses; they have sponsors (endowments) for each tee and each green.

Mr. Porter asked how much the Forrest Donation was for.

Mr. Travous responded that it was \$243,000 and change. The donation came out of the blue. Mrs. Forrest had passed away more than a year before the donation was received.

3. Long-Range Planning Meeting in November

Mr. Travous reported that he has been working on a series of white papers that he will distribute to the Board over the next month or so in anticipation of a future meeting on long range planning. He has talked with several park directors and has gone through some of the old reports. In essence, he is comparing where the agency is right now to where it was about 15 years ago when he came to the agency. He is reviewing the strategic plans, how they were executed, their impact, the foundation that was built over the last 15 years, and where the foundation is now. He can say that a good foundation had been built up and that foundation is now cracked because of what happened over the last year-and-a-half. He anticipates that the Board will have to take a look over the next six months to a year as to whether or not staff will expend their energies trying to recast and repair the foundation made 15 years ago or step back and look at doing something different. He sees dramatic systematic changes. It will take some conversations on the part of both the Board and staff.

Chairman Pfister noted that there was some discussion in July about having a two-day strategic session or a one-day strategic session and a one-day Board meeting in November. The November 20 meeting has been moved to Rio Rico because there will be a celebration of the Sonoita Creek acquisition. If the November meeting is held Wednesday/Thursday, she cannot meet on Wednesday (November 19).

Mr. Porter noted that he will not be able to attend that Board meeting.

Chairman Pfister noted that the Board typically does not meet in December. One option would be to meet in December.

Ms. Stewart responded that it would have to be early in December because she will be gone at least the last two weeks.

Chairman Pfister added that another option would be to wait until the January Board meeting.

Ms. Stewart stated she was concerned that in January the legislature is back in session and there will be a lot of other things that will distract the Board.

Chairman Pfister noted that the legislature will have only been in session for about one week and the bills begin to hit beginning in February rather than in January.

Mr. Porter stated his concern of holding a planning session in connection with a regular Board meeting where there will be business to conduct. He doesn't feel planning sessions work well when attempting to fit it into the frame of the usual business cycle. If the Board is really serious about trying to take a hard look at long-range issues and goals, they really need to come together with a specific plan for that and concentrate on it and not muddy it up by adding in business issues.

Chairman Pfister responded that, for travel time, staff were looking at holding the Board meeting on one day and the planning session the other day.

Mr. Porter asked if there is a possibility of simply going ahead with the Rio Rico celebration and then perhaps not have the regular Board meeting in November but rather hold the Board meeting in December, or vice versa. Then he could be there.

Chairman Pfister suggested going ahead with the Board meeting November 20 and then have a one-day planning session in early December.

Mr. Travous responded that the first week of December would probably fit everyone's needs. He anticipates that there will need to be a series of planning meetings. He would like to start it before the Chairman leaves the Board. With a new Board member coming in, there will be much catching up to be done at the beginning of the year.

Chairman Pfister noted she cannot meet on December 4, but she could meet on December 2, 3, or 5.

Ms. Stewart stated she would be available the first and second weeks in December.

Chairman Pfister suggested Wednesday, December 3 in Phoenix for the planning meeting. The Board meeting will remain at November 20 in Rio Rico.

Mr. Porter requested a meeting place be found that is off the beaten path. He suggested the Arizona Historical Society Museum at Papago Park. They have a good Board meeting room.

Mr. Travous stated that he will begin putting together short documents to highlight various aspects of where the agency is financially, its successes, and where the agency has not been so successful.

Mr. Porter reminded the Board that there was discussion in July that the Board needs to look at its policy relating to ASP's presence in Maricopa County.

Ms. Stewart noted that another issue discussed in July was the changing demographics of the population and the fact that ASP is not positioned to meet the needs of the growing Hispanic population.

Chairman Pfister requested that Board members send staff any suggestions of topics to be covered at the long-range planning meeting.

Ms. Stewart stated that some topics that come to mind include open space acquisition and whether or not enough is being done to protect land surrounding the parks, who ASP should be marketing to (Arizona residents vs. out-of-state visitors), and greater concern for becoming a leader in the protection of natural resources in doing things that are environmentally sound in terms of buildings and landscaping.

4. Recycling Grant Award

Mr. Travous reported that he was proud and happy to announce that ASP did received \$200,000 in funds approved by ADEQ. There is a \$20,000 educational component and \$180,000 in materials, labor, and equipment. There is a 50% match that will mostly be made in labor. Alamo Lake State Park will get its large truck and will be able to decrease the number of trips it has to make for solid waste, resulting in a saving of \$5,000-\$10,000 per year.

Mr. Travous noted that two people really helped make this happen: Marc Johnson and Jay Ream. He thanked Mr. Ream for his tenacity on this. He was the internal person who really pushed this along.

Chairman Pfister returned to the Partnerships and External Affairs Agenda Item for the awarding of grants.

E. PARTNERSHIPS AND EXTERNAL AFFAIRS

2. Board Actions:

a. Summary of Staff Funding Recommendations for Competitive Grant Programs (time certain 10:00 a.m.):

Chairman Pfister stated that as the Board reviews each Board program she would ask those members of the public who wished to speak on that grant program to come forward. Speakers were reminded to keep their remarks to a maximum of five minutes.

Ms. Hilderbrand referred to a Summary of Staff Funding Recommendations for Competitive Grant Programs contained in the Board Packet. She noted that the table in that Summary contains information on the LRSP, Historic Preservation, Trails, and RTP grant programs. She noted that 58 eligible applications were received asking for a total of \$9,895,244. Staff are recommending awarding a total of \$7,349,169 for 37 projects. Staff are recommending that two of the applicants for the Growing Smarter grant program be awarded an amount not to exceed \$19,174,956. She noted that the Board received a map detailing where the projects are located.

Ms. Hilderbrand explained that the grant cycle for next year begins tomorrow. The grant cycle for the grants being considered today began the day after the September 2002 Parks Board meeting. All of the programs are generally administered the same. Beginning tomorrow and throughout the winter staff will be working on the grant manuals. Any major changes will be brought to the Board for review and approval.

before being sent out to print. Grant Workshops will be held throughout the fall and into January. The purpose of the Grant Workshops is for the Grants staff to educate potential applicants on what makes a project eligible and to assist the applicants in how to complete the application and set-up their projects in the best way to receive funding. The ASP Grants staff gives every opportunity to a potential applicant in assisting them in creating a viable project and completing their applications until the deadline for filing their applications.

Ms. Hilderbrand noted that grant applications are due between February and March. Between April and June, the Grants staff review all applications to ensure that the projects are eligible, the applicants are eligible, and to check for completeness. Eligibility is based upon legislation. Applicants are notified in April or May of their eligibility for funding. Every project and every site is visited during this time, with the exception of the Historic Preservation program. In June the appropriate advisory committee reviews every project. After the advisory committees review the applications, a rating team is created. By law there are three people on the rating team. In the past, this Board approved one member from each advisory committee be included as a non-voting member of the rating team. This gives the advisory committees insight as to how staff arrive at their recommendations. During this process a team scores each application. A lot of hard work, and sometimes tears, are spent over the scoring of the applications. The projects are then ranked based on their scores.

Ms. Hilderbrand explained that staff return to the advisory committees in August to present their recommendations based on the scores, available funding, and the Strategic Plan. The Strategic Plan, as it pertains to the Grants programs, includes the Board-approved funding targets for high-priority projects. A high-priority project is any project that receives at least 80% of possible points. The advisory committees then make their own recommendations on which projects to fund. Those recommendations are brought before the Board in September. As each grant program is brought before the Board for consideration, there are two recommendations: one is the staff recommendation (based on funding availability, Strategic Plan, and actual scores); the other recommendation is from the advisory committee. While both recommendations are usually the same, occasionally the recommendations will differ somewhat. This year all of the scores were provided so that the Board can get a sense of how the recommendations were determined.

Chairman Pfister stated she appreciated the new format. It was easy-to-read and backed up where applicants could have received more points.

Ms. Stewart agreed that the new format was very helpful and noted that in the past she struggled with why some projects didn't do better and how some did so well.

- 1) **Consider Funding FY 2003 Local, Regional and State Parks Heritage Fund (LRSP) Grant Projects.** Staff recommends awarding \$4,686,259 to the first 18 projects as listed on the summary list. If stateside Land and Water Conservation Fund (LWCF) monies are made available for the Federal Fiscal Year 2004, staff recommends funding the Peoria 75th Avenue and Greenway Park project that is currently unfunded due to insufficient revenues and continuing from the highest scored down the list. Applicants will be notified as soon as possible if LWCF monies

become available. AORCC concurred unanimously with this recommendation on August 26, 2003.

Ms. Hilderbrand reported there were 26 eligible applications requesting just about \$7 million. Available revenue for grants is \$4.6 million. Staff recommend the top 18 projects be funded in the amount of \$4,686,259. Staff also recommend that, if and when the Land and Water Conservation Fund (LWCF) becomes available, the Board continue to fund projects below the cut-off line and fund the City of Peoria project as well as any project that can be funded with that money. AORCC concurred with this recommendation at their meeting on August 26, 2003.

Ms. Stewart noted her concerns with the recommended action. The first is to fund the 18 highest projects. She is comfortable with doing that, and she is comfortable with the second part to an extent (to fund the Peoria 75th Ave. and Greenway if the federal LWCF is received). Based upon an earlier presentation, if the Court rules that the Governor improperly vetoed and transferred the money for the Council for the Arts back to ASP, the Board could end up in a situation where grants to some of the 18 highest-scoring recipients are suspended while Peoria would receive their funding because the Board said it is contingent upon receiving the LWCF and did not add any contingency about having a favorable ruling from the Court on that lawsuit. She feels it is important that the money go in order.

Mr. Ziemann stated that, from staff's perspective, he would welcome that amendment to the recommended Board action.

Ms. Stewart noted that Peoria had submitted a new application and that their score is higher than it was. However, everyone should be taken in the order in which they scored in order to avoid any unintended consequences.

Board Action

Ms. Stewart: I move that the 18 highest-rated FY 2003 LRSP grant projects be approved for funding at \$4,686,259 and that, further, grant applicants be notified in their letters of award that funding is contingent upon money being available due to the impending lawsuit.

Mr. Hays seconded the motion. The motion carried unanimously.

Board Action

Ms. Stewart: I further move funding the Peoria 75th Avenue & Greenway Park that is currently unfunded due to insufficient revenues and continuing from the highest scored down the list if Federal Fiscal Year 2004 LWCF monies become available and the lawsuit is resolved favorably by that time. The Executive Director or his designee is authorized to sign Participant Agreements.

Mr. Porter seconded the motion.

Mr. Porter stated he understood the Board is hopeful that this lawsuit will be resolved quickly. It would be nice to think that the Court would react quickly, but there are no guarantees. Experience shows that if an issue is sticky and will have a long-range impact they may not be in a hurry to resolve it. Does the Board create a problem if the funds became available this year and the Court has not yet ruled?

Chairman Pfister noted that that is the reality of the situation the Board is in.

Mr. Porter responded that it is OK to proceed with the top 18 applicants. The only way Peoria receives funds is if both prongs in the motion come forth. If it becomes very clear those funds will be available, why does the Board not proceed with them the same as with the 18 because the whole thing will fall apart if the Supreme Court goes against the Governor?

Ms. Stewart responded that the reason is because the Supreme Court's ruling does not affect the LWCF, so then a lower-funded project keeps the money after the Board previously decided to "lump" the two pots of money together and start awarding grants at the top of the list.

Mr. Travous suggested that staff needs to let the recipients, including Peoria, know why they should be interested in this. As he understands what the Board is trying to do, if the Heritage Fund collapses then it gets filled back up with LWCF. That's when Peoria would lose their money. Peoria needs to be equally aware that, even though the funding source is different, the lawsuit could impact them. Peoria should receive the same cover letter as the others.

Mr. Ziemann noted that the monies the Board is granting are sitting in an account and are ready to go. The Board will execute the grant contracts within the next two weeks. The money will be out-the-door. At that point in time, if the lawsuit goes against the Governor, the Board will be back in the same situation as with last year's OHV grants where contracts will have to be broken. The LWCF money is expected to be available in November. The Board needs to understand that these contracts will be executed beginning tomorrow.

Ms. Stewart asked how much money staff anticipate receiving from LWCF.

Ms. Hilderbrand responded that if it's the same as last year it will be about \$3 million.

Ms. Stewart noted that if the Board loses the \$1.8 million, it will recoup most of it and have a lot less to worry about.

Mr. Ziemann responded that the Board will not lose \$1.8 million; the Board will lose \$5 million. It would be \$630,000 out of this particular wedge of the pot. Either the line item veto was proper or it was not.

Chairman Pfister suggested that the Board need not go there. So long as the Board has provided the grant recipients with adequate notice and makes the caveat with the LWCF as Ms. Stewart is suggesting, it has been as prudent as it can be and still move forward with the grants program.

Ms. Stewart added that an alternative, if people are more comfortable with it, would be to reschedule the LWCF portion of the grant award to November.

Chairman Pfister called for a restatement of the motion and a vote on the motion on the floor.

Board Action

Ms. Stewart: I further move funding the Peoria 75th Avenue and Greenway Park that is currently unfunded due to insufficient revenues and continuing from the highest scored

(which is the 75th Avenue and Greenway Park) down the list if Federal Fiscal Year 2004 LWCF monies become available and the lawsuit regarding the Governor's veto upholds the transfer of the \$1.8 million to the Heritage Fund. The Executive Director or his designee is authorized to sign Participant Agreements.

Mr. Hays seconded the motion. The motion carried unanimously.

Mr. Travous pointed out that it is not Parks Board policy that no entity may receive more than 20% of the available monies in any fiscal year; it is in statute.

Chairman Pfister thanked staff for spending all of the money.

Ms. Stewart added that she believed it is commendable that there were so many high-scoring projects from all over the state to consider.

- 2) **Consider Funding FY 2003 Historic Preservation Heritage Fund Grant Projects.** Staff recommends awarding \$699,501 to the 10 highest-rated grant projects listed on the summary list and the set-aside funding to State Parks Development for \$139,500 and to the State Historic Preservation Office for \$92,000. At its August 18, 2003 meeting, the Historic Preservation Advisory Committee (HPAC) moved to award \$1,392,290 to all 20 FY 2003 Historic Preservation Heritage Fund grant projects after staff's evaluation of eligible scope items. HPAC further concurred with the recommendation of set-aside funding for State Parks Development for \$139,500 and for the State Historic Preservation Office for \$92,000.

Chairman Pfister noted that there were a number of people who wished to speak on this item. She asked staff to present an overview before taking public comment.

Ms. Hilderbrand reported there were 20 eligible projects requesting \$1,405,619. Available funding is \$1,450,739. Staff recommends funding the top 10 rated grant projects in the amount of \$699,501. Staff make this recommendation because it follows the Strategic Plan, which states that 70% of the projects will be considered high-priority. This is Board policy as opposed to being in statute.

Ms. Hilderbrand added that at their meeting August 18, 2003 HPAC decided to recommend that the Board fund all of the projects in the amount of \$1,392,290 contingent upon all of the grant applications being eligible.

Ms. Stewart noted that she attended that HPAC meeting and was very impressed with not only the quality of the projects but the fact that so many of them are community-driven with a lot of volunteer involvement. She noted that it was mentioned earlier today that there are a number of checks and balances in place for historic preservation projects whereas in the other grant programs staff visit all of the sites. She asked for an explanation of those checks and balances.

Ms. Hilderbrand responded that the Grants staff do not visit these projects because they are not qualified to make a determination of historic preservation projects. Staff call upon SHPO to make those determinations. If the Board chooses to make these awards today, the grant recipients will be required to provide designs and present both Grants and SHPO staffs with greater details of what they plan to do. The reason for that

requirement is to ensure they are following the standards of the Secretary of the Interior for historic preservation.

Ms. Stewart asked if someone from SHPO reviews the applicants.

Ms. Hilderbrand responded that one of SHPO's staff reviews all of the applications. He did state, on the record, at the August HPAC meeting that all of these projects were quality projects.

Ms. Stewart asked if it is staff's opinion that some of these projects scored a bit lower due to filling out the forms and other procedural things rather than the substance and quality of the projects.

Ms. Hilderbrand responded that many of these projects are very small. Staff believe that many of these applications may not have been filled out as completely as they could have been because of the use of volunteer staff.

Mr. Porter noted that it bothers him that there are 4 projects at the bottom of the 10, 3 of which are over the line with a score of 77 and 1 below the line at 76. He spent a lot of time reviewing those 4 projects very closely trying to determine the differences. He has a hard time coming up with a rationale. He understands that staff agonize and spend a lot of time in the awarding of points. He's not questioning that so much. He was trying to see what categories where people receive points that might be more vital. Here are 4 projects that are relatively neck-and-neck and 3 get funded and 1 doesn't. He noticed that the 1 that is not recommended for funding under staff's proposal has a higher level of Urgency than the 3 above it. It also has a higher-rated End Goals than at least 1 of the other 3 that are being funded. The Project Purpose is right on par with the others. He could make a good argument for the funding of that 1 versus any of the other 3, or any 1 of the other 3 against that project.

Chairman Pfister noted that the good news is that there is money to fund all of them if the Board wishes.

Mr. Porter responded that that is the point. He will be listening closely as this plays out and what he hears will determine how he votes.

Chairman Pfister noted that there are several people who wish to speak who represent those projects that came in below the line.

Ms. Hilderbrand responded that she completely agrees with Mr. Porter's statement. Staff look at the rating criteria. If this Board were to decide that Urgency is the most critical aspect of all of these projects, then staff would put a lot more points into the Urgency question. Depending on how many points are awarded for Urgency, it could take those projects that are below the line and place them higher. That's how staff use the rating criteria to prioritize. If the Urgency issue is critical to this Board, then that's what staff would do.

Mr. Porter stated that he wanted to clarify that he is not suggesting that there may be a problem in how Urgency is rated, it is just that we get into a little crunch with a small grouping like that and when one tries to make a distinction that is important to all of the applicants that is where the hairsplitting occurs. He noted that the breaking of the line in the previous grant award was 1/2 of a point. That's really splitting hairs. As it happens, he looked at both of those projects in the same light as he did these 4 projects.

He was able to make a case in his own mind for the project that was number 18 on the list as opposed to Peoria. He had a comfort zone in that case. However, with these 4 he really doesn't have a comfort zone.

Chairman Pfister stated she would take public comment in the order in which they scored.

Ms. Kim Van Der Veen, Phoenix Family Museum, addressed the Board. She stated that had they attended the workshop they would have scored above the line. This is the 4th grant they have applied for utilizing volunteers. They propose to rehabilitate the Monroe School, located on the corner of 7th Street and Van Buren. It is on the City, State, and National Historic Registers. They should have come to the workshop. Then they could have had maximum points not only in Project Purpose, Urgency, and End Goals, but they would have been better able to fill out the Public Involvement section and talk about the fact that they actually hired the architects. They would have been able to tell about the Comprehensive Planning they were doing. More importantly, they could have scored better on the Maximized Cash Match. Instead of just asking for the amount for the roof they really need, had they filled out the form better they could have shown how the Board's money would be matched. Had they scored that well, many other projects would have fallen below the line.

Mr. Rick Pinkan, Town of Eagar, addressed the Board. He stated that he, too, needed to apologize. This grant is something that is very vital to their town. He went to Tucson to attend the workshop, but because of an emergency he was called away. He wanted the Board to know that he has not missed another meeting. They also could have gotten more points, specifically in the area of Maximized Cash Match. They did not score what they should have. They have already raised close to \$200,000 for this building to get it ready for construction. Another way they could have assisted themselves was to mention the entire project rather than just what they are doing here. They could have also mentioned that they are expecting an award in the next few weeks of a \$350,000 grant from FEMA. The FEMA grant is for emergency operations. They are located in an area of highly volatile forest fires. As the Board knows there has been danger in the area from forest fires over the past two years. With the grant from the Board and the grant from FEMA this project would be finished next year. Their Council has dedicated the resources they need for this project. This facility will be the only historic school remaining in their area. It will be used primarily as a community center and for youth activities. They have very few activities that are structured for the young people of their community. It will play an important role for the youth. He stated his hope that the Board will not forget them. They need the Board's help. They scored 74 points.

Ms. Carmen Bryant, Southwestern Institute for Culture & Art, Bisbee, AZ, addressed the Board. They are rehabilitating the old Lincoln School. She stated that there are a couple of aspects that she would like to raise. They rated low in the Cash Match because they have a very large volunteer match which did not give them a great deal of points for that category. This building is in a large historic district. They are contributing to that district. This building was left go for more than 25 years by the school district. This Board approved funding two years ago to provide urgent structural repairs. This is Phase II, which would finish the auditorium that seats 300+. There isn't anything else like it in Bisbee. This project is very important to the community. They are very proud of the work they have done over the past 2.5 years.

She urged the Board to extend their recommendation and fund these many worthy projects.

Ms. Natalie Hess, Yuma Main Street Association (restoration of the Jenny Kent House), addressed the Board. Ms. Hess stated that she and her husband purchased a residence in Yuma. They have done a great deal of restoration inside the house. The outside of the house, however, is in desperate shape. She distributed photographs of how the house looks now. They do have Public Involvement. She noted that Jenny Kent, the original owner of the house, was a schoolteacher. The inside of the house was in dreadful condition, down to the floorboards. She referred to photographs that show how the inside of the home looks now. She asked the Board to consider funding this project.

Ms. Patricia Rogers, Benson Historic Preservation (Benson Apache Powder Homes), addressed the Board. She stated her belief that one of the reasons their project scored low is because these are two small private homes. In her opinion, and many others in historic preservation over the years, the heart of preservation is not so much the grand old buildings as the historic districts. These districts serve as the communities' heritage and sense of place. They are the anchor of a community. By assisting individual homeowners in the maintenance and stabilization of these private homes through Heritage Fund grants this Board will help to preserve the heritage of many communities. By preserving the neighborhoods the Board preserves the history of the State. With this in mind, she respectfully requested that the Board follow the recommendation of the HPAC and fund this and other projects that did not make the top 10. In addressing this, there are many changes taking place in Benson. There is a new City Council; they have a new City Manager; they have a Historic Preservation Commission that is working closely with SHPO to learn what their duties are. To fund this grant, as small as it may be, makes a statement that there is support for historic preservation. There is a lot of development occurring in the Kartchner Corridor area. It has already had some detrimental effects on Benson. Benson has continued to be in transportation mode. It is a gateway for Cochise County. As a result, it is important to preserve Benson's historic integrity. She believes this small grant will be a large step in the right direction to make the statement that there is state support for historic preservation in Benson. She respectfully asked the Board to fund this project.

Chairman Pfister confirmed that there is \$1,392,290 available to expend, including set-asides for SHPO and ASP.

Ms. Stewart stated that she would like to make a motion along with a proposed change to the motion. She feels strongly that the Board should fund the SHPO at \$93,000, which is the amount they are eligible for even though their request was for \$92,000. There is money available for that and they submitted an excellent submission on the projects that they intend to spend money on. During the past year she has had the opportunity to attend the Site Steward training and to also go to their Sense of Place Historic Preservation Meeting. Those functions, as well as their work in archiving and other projects, have been limited because of limited funds. She feels they have demonstrated they can do a tremendous amount of work that affects so many people in the community with so little money.

Board Action

Ms. Stewart: I move to award \$1,392,290 to all 20 FY 2003 Historic Preservation Heritage Fund grant projects and further move to approve the set-aside funding to State Parks Development for \$139,500 and to the State Historic Preservation Office for \$93,000. The Executive Director or his designee is authorized to execute Participant Agreements.

Mr. Hays seconded the motion.

Mr. Porter stated that his only reservation is that the Board would be approving 1 project that scored lower than 50 points. He is concerned about going that low. He doesn't have any problem with funding those who fell at 70 points and above. There are arguments for some of those. He has difficulty in approving all of these projects.

Ms. Stewart responded that, as one of the biggest critics of funding the lower projects, she feels strongly that this program is different because of the fact that this grant program, more so than any of the other programs, is community and volunteer driven. The amounts of these requests are all at \$100,000 or less. She thinks that the Board has to take that into consideration. The Board has heard from several of the people who scored low. If all of that information had been available they may have scored in the 90s. She assumes that would be the same with the others. She believes the railroad depots and the schools are some of the most important things to preserve. They are things that, once they are gone, they are gone. They really establish the community. In Globe the depot is the staging ground for the town. She believes that the Board is being fiscally sound. There are things that can perhaps be done in the future, such as to take a look at the grant requirements. For those grants that are under \$50,000 perhaps not require as much because there are checks and balances later in terms of ensuring their plans are adequate through the review by SHPO. Perhaps a video can be made of the next workshop that could be available by mail out to people who cannot attend. People in remote locations must take a day out of their private lives to attend these workshops. Even the work on submissions from towns and cities are, many times, done by volunteers in the community. Those communities are so stretched that they cannot hire a professional to write grant applications. They really have to weigh the return for a grant of less than \$50,000.

Mr. Porter asked why staff made the recommendation to approve only those 10 top projects.

Chairman Pfister responded that staff were following the Board's policy.

Mr. Winkleman noted that this is his first grant cycle. He noted that the motion on the floor is to approve everything. He asked if this is what the Board has typically done in the past. He hears staff talk about the huge amount of effort they go through in this process to make these decisions. Then the Board just says, "We'll give all the money". It undercuts the efforts of the staff. He is curious to hear the staff's viewpoint. The Board has heard from several applicants who said that had they attended the workshops or if certain things had been taken into consideration they would have scored better. Several applicants have not been represented at all. He would like to legitimize the effort and hard work staff obviously did.

Ms. Hilderbrand responded that for this particular program, with the help of SHPO staff and through review of all of the applications and in talking with all of the applicants, staff really do feel these projects are all quality projects. Staff do stand behind the quality represented by the applicants. Based on the rating criteria that was given and based on the Strategic Plan that was given, staff are limited on what they can recommend. In terms of what staff's professional opinions are of these projects, staff believe they are quality projects.

Mr. Ziemann added that, in previous years, these programs have all been substantially oversubscribed. There has been far less money than the Board has ever been able to award.

Chairman Pfister noted that she has a special concern for Historic Preservation because for two or three years the Board had a severe cut in the Historic Preservation dollars due to buying the land for Spur Cross. That money came from the Historic Preservation Fund. Now that the Board has some of its funding back, she believes it is important to get that money out.

Mr. Winkleman asked if that money carries over.

Chairman Pfister responded that it does if it's not spent. She noted that sometimes applicants cannot spend their funding for some reason or another. \$99,000 of de-obligated and uncommitted funds carried over from last year to this year.

Ms. Stewart added that there will still be a small carryover.

Mr. Travous stated that he wanted to make three points. First, just a few years ago staff wondered if there was enough voice on the Board for Historic Preservation. He believes that has now been turned around. Second, if he had submitted a grant application to the Board for \$20,000 and he knew that the money was available, he would be here. He believes it behooves people who really want \$20,000 to be here, as some were. Third, unless he is not correctly understanding the project, the Jenny Kent home restoration, even though the Yuma Main Street sponsors it, is a private home. He wondered if the Board would be running afoul of the constitutional Gift Clause by giving money to the restoration of a private home.

Ms. Stewart responded that she did not believe that to be the case. When looking at constitutional gifts one looks at the value to the community. The outsides of these homes are visible to and enjoyed by the public. That's what creates the sense of place and preserves the neighborhood. This is part of our standards and the Department of Interior's standards as well.

Ms. Hernbrode stated that the reason for the sponsoring by the Yuma Main Street Program is that the Board actually enters into the contract with that entity which solves the problem of retrieving the money if issues arise. There is also a requirement that whatever the public money is used for must be available to the public to view a certain number of times a year. The public is getting something back in an educational form as well as being able to view historic structures. If the money is used on the interior of a home, the home must be opened up to the public a certain number of days per year.

Mr. Travous responded that it becomes a problem if the homeowner sells the home after the Board just invested \$30,000 in it.

Chairman Pfister stated that she has some sympathy for the Great Arizona Puppet Theater, who did not show up. Again, these are volunteers.

Ms. Stewart noted that almost every applicant was present at the HPAC meeting. It took a long time to go through them all. She asked how many times the Board should require they travel - to attend the workshop, then travel to attend the HPAC meeting, and then come to the Board meeting as well. It hasn't been a standard in the other areas. Grants have been awarded under LWCF when none of the applicants appeared.

Ms. Hernbrode noted that this is the grant program where one of the applicants was found to be ineligible. She suggested amending the motion to ensure the Board does not fund an applicant that is not eligible.

Chairman Pfister suggested that the amendment could be to add "subject to further review on the eligibility and scope."

Ms. Stewart, maker of the motion, agreed to the amendment to the motion as stated by the Chairman.

Mr. Hays, who seconded the motion, agreed to the amendment to the motion as stated by the Chairman.

Chairman Pfister called for a vote on the motion on the floor as amended. The motion carried unanimously.

Chairman Pfister thanked everyone for coming to the meeting.

Chairman Pfister called for a Recess at 11:10 a.m.

The meeting was reconvened at 11:20 a.m.

3) Consider Funding FY 2003 Trails Heritage Fund Grant Projects.

Staff recommends awarding \$408,099 to the eight (8) FY 2003 Trails Heritage Fund projects on the summary list. On, August 26, 2003, AORCC unanimously concurred with the staff recommendation.

Ms. Hilderbrand reported there were eight eligible applicants. Available revenue, less 5% ASP Development set-aside, is \$579,764. Staff recommends funding all of these applications at \$408,099. At their August 26, 2003 meeting AORCC voted unanimously to support staff's recommendation. She noted that a few days ago staff received a letter from the City of Phoenix.

Chairman Pfister recognized Ms. Danielle Taddy, City of Phoenix, Parks and Recreation.

Ms. Taddy addressed the Board. Ms. Taddy stated she was here to request the Board to consider fully fund their request for \$12,500 for the Rio Vista Trail Signage. That area is within the Rio Salado Habitat Restoration Project under construction at the present time. The signage would enable them to open the park on weekends for exploration of the Salt River. In her grant proposal she requested a large entry monument but failed to classify it as an entry summit and not necessarily as a monument. It would be the entrance on Central Avenue to let those passing by know that this is the entrance to Rio Salado. In addition, there was a complication regarding the Park Regulations sign. It should have been classified as a trail recognition. Its main purpose will be trails. Park

regulations govern what the trail usage is and what is encouraged on the trails. The interpretation and this misuse of words on her part in the grant is what was misconstrued on what funding was really being sought. She asked that the Board consider funding \$12,500 for the sign.

Chairman Pfister asked for a staff recommendation on this request.

Ms. Hilderbrand stated for the record that the reason those items were determined ineligible was based on the scope items. She has not spoken with the entire Rating Team. She stated that she did speak with Mr. Baldwin and that he is fine with the regulation sign but does not feel that the alignment is actually a trail in support of the facility.

Chairman Pfister asked if staff recommend changing the funding or leaving it as it is.

Ms. Hilderbrand noted that she did have photographs.

Ms. Stewart asked if staff had a good understanding of what the structure was.

Ms. Hilderbrand responded that the photographs that she does have were included with the application. Based on the information the Rating Team had at the time the applications were reviewed, they determined that this particular alignment was not in support of the facility.

Ms. Stewart stated that she felt a little uncomfortable changing the committee's recommendation because they had a photograph. While she is sympathetic and would like to help everyone out, she is not sure that she wants to get into evaluating the sign herself.

Mr. Winkleman asked how readily available the language is. He asked if it is complicated or straightforward.

Ms. Hilderbrand responded that according to the grant application, project work eligible for Trails Heritage Fund Support includes, among other things, trail support facilities including but not limited to sign into parking areas. In terms of the history of what staff have recommended, the kinds of signs that are typically approved for funding are support signs, directional, safety, environmental, trail etiquette, and interpretive message signage.

Chairman Pfister noted that this is a welcoming sign as one enters into the park.

Ms. Hilderbrand agreed. There are two different signs in this particular situation – the welcoming sign and the park regulation sign.

Mr. Porter stated that, reluctantly, he agrees with Ms. Stewart. While it looks like a nice addition to the project, he also has doubts as to whether it really falls within the range of what this funding is for. He hesitates to go against the staff's recommendation. In order to have an opportunity for discussion he stated he would make a motion.

Board Action

Mr. Porter: I move that the eight (8) FY 2003 Trails Heritage Fund projects be approved for funding at \$408,099, and that the Executive Director or his designee be authorized to execute the participant agreements.

Mr. Hays seconded the motion.

Mr. Winkleman asked if the City of Phoenix is asking for funding of two different signs.

Ms. Hilderbrand responded that the original request as submitted by the City was for \$25,000. The Rating Team determined that \$14,500 for the large entry monument was ineligible. There is another sign, the Park Regulation sign, for which they are requesting funding of \$4,450 that the team also determined to be ineligible. The remaining signs are what is before the Board for approval. Two signs are being discussed here, one of which is the monument and the other is the park regulation sign. Both were determined to be ineligible by the Rating Team.

Mr. Winkleman asked if staff are averse to funding both signs or just the monument sign.

Ms. Hilderbrand responded that her understanding from Mr. Baldwin is that the park regulation sign may fall within the type of signs usually funded. However, the large entry sign is ineligible.

Mr. Porter asked how much funding is being requested for the regulation sign.

Ms. Hilderbrand responded that the total for that sign is \$4,450.

Chairman Pfister noted that if the Board wanted to fund both signs it would be \$7,000 rather than \$3,000.

Ms. Hilderbrand responded that if the Board wants to fund the entire project as submitted by the City it would be \$12,500.

Chairman Pfister asked what it would be if the Board wanted to fund the signs but not the monument.

Ms. Hilderbrand responded that if the Board added just the park regulation sign it would add \$2,225 plus the \$3,000 staff are recommending.

Mr. Porter noted that would bring the total grant request for this grant program to \$408,099 plus \$2,225. As the maker of the motion, if Mr. Hays (who seconded the motion) agrees he will amend his motion to change the amount of the motion from \$408,099 to \$410,324 with additional money going to that park regulation sign.

Mr. Hays, who seconded the original motion, agreed to the amendment.

Ms. Stewart stated she did not understand whether the committee felt that the regulation sign fell within the guidelines. If they felt that it did, then why didn't they fund it? If they felt that it did not, has additional information been received that would change their opinion.

Ms. Hilderbrand responded that the Rating Team said both signs are not eligible.

Ms. Stewart asked if the team had the wording of the sign.

Ms. Hilderbrand responded that the team had exactly what the Board has in front of them.

Mr. Baldwin added that, based on the information provided with the application, the park regulatory sign appeared to be just that – a park regulatory sign – not a trail

informational sign. That is why it was declared ineligible along with the monument sign, which is an entry sign. Both signs would be eligible under the LRSP grant program guidelines, but not necessarily under the Trails grant program guidelines. Trails projects typically fund more trail-related types of informational signs as has been pointed out; not a grandiose or entry sign into a park. After discussion with Ms. Taddy, if the regulations on that sign are more specific to trails then it would be an eligible sign. Based on the information provided with the application it did not appear to be a trails-related sign.

Chairman Pfister called for a vote on the amended motion on the floor.

Ms. Stewart asked if that motion includes the understanding that the sign will relate to the trail.

Mr. Porter responded affirmatively.

The amended motion carried unanimously, with Chairman Pfister abstaining on the Flagstaff AZ Trail-McMillan Mesa Crossing Renovation grant application.

Chairman Pfister noted that she is on the Board of the Arizona Trails Association. The message she got was that these applications are difficult to fill out. That is one of the reasons the Board did not get anything from a lot of them. Many potential applicants don't have paid grant writers. She has some sympathy because she knows that in looking at the Heritage Fund a lot of community people filled the applications out. In the past, there have been strong applicants. This is one of the first times there has been more money than applicants. The feedback she received was that the process was too difficult and it wasn't worth it to them to go through it to apply. She hates to see uncommitted funds. Those who did apply scored high. It would be helpful to perhaps survey some applicants who applied in the past but not this time to see what can be done to make it a more manageable process. She is not inclined to make it an easier process. However the message she got was that it was so complicated that they didn't even want to try. She does not believe that's a good sign.

Ms. Stewart added that she has received some feedback along the same lines during the year. She believes that the kind of project, who the applicants are, and the amounts of money involved need to be taken into consideration in terms of what the requirements are. Perhaps the process should be streamlined down to those things that are the essence of determining the value of a project to the public and one that is likely to be completed. She believes the two main issues are probably whether it falls within the scope of what the money is to be spent on and whether it will provide significant value to the public in terms of the need. Those things and whether the applicant has the ability to complete the project seem more important to her. She believes the Board needs to find a different way to determine public support. A lot of the things we look for may not be practical and relevant, yet the public is clamoring for it. Everywhere one looks people are saying they want more trails. The new home developments are talking about trails and open space. Obviously this is something the public wants. There needs to be an easier way for them to get it.

- 4) Consider Funding the FY 2003 Recreational Trails Program (Motorized Portion) Grant Project.** Staff recommends awarding \$1,555,310 to the BLM-Arizona State Office AZ OHV Multi-Agency Coordinated Project contingent upon completing the Section 106

requirements and obtaining NEPA concurrence from the Federal Highway Administration. On July 21, 2003, the Off-Highway Vehicle Advisory Group (OHVAG) unanimously concurred with the staff recommendation.

OHVAG also unanimously approved a recommendation that should money become available, the applications for Tonto National Forest, Desert Vista Trail System Improvements and Apache-Sitgreaves National Forests, Lakeside RD OHV Travel Corridor Phase II eligible scope items be funded.

Ms. Hilderbrand reported 4 eligible applications were received. Available funding is \$1,566,467. Staff recommends funding the top project in the amount of \$1,555,310. OHVAG concurred unanimously, however they added one applicant. OHVAG recommends that should money become available the next two applications (Tonto National Forest and Apache-Sitgreaves National Forest) should also be funded.

Ms. Stewart noted that at its meeting in March the Board suspended a number of OHV grants and stopped payments. The Board made it clear that it wanted to fund those projects that were suspended before awarding any new money. The Board has not received any formal update completing the information on that issue. The Board does not know where things stand on those projects. She is not comfortable awarding any new money until the Board receives a formal written report detailing exactly what has happened. The Board authorized some reimbursements, but does not know who received reimbursements or which projects have been completed. She believes this issue needs to be taken up at the next meeting when that information has been supplied.

Mr. Ziemann responded that Ms. Stewart is exactly right. It is also staff's concern. That information will not likely be available by the next Board meeting, either. Much of the money staff has requested to be resubmitted back to ASP (money not expended by April 1) is money that needs to come back from the federal government. The fiscal year for federal agencies ends in October. They are still struggling and are frantically working on it. Staff have not received that information back, either. It's probably one of those things that will take until the 13th month before they get all their accounting done and actually submit that money back to ASP so that staff can carry out the motion the Board made in March.

Ms. Stewart noted that the Board does not even know who may have abandoned their projects.

Mr. Ziemann responded that that is why staff have not concurred with OHVAG's recommendation. Staff are uncomfortable with their recommendation.

Ms. Stewart stated that she is not comfortable with giving any money until the Board has a report on where things stand on the other. She does not believe it is prudent.

Ms. Hilderbrand explained that those grants that were suspended were OHV money. The money being discussed today is federal RTP money. It is a very different funding source and comes with very different strings attached. She suspected that the direction the Board may be going in is to use this RTP money to fill the gaps of the suspended projects. It could happen; chances are it is not likely. The OHV money required no

match, and allowed 10% pre-granted costs. The money being discussed today has a lot more strings attached. It is federal money; it requires a good match (up to 50%); it requires a NEPA process; and it does not allow pre-agreement costs. Staff could work on melding that money; however, it would take a process such as getting authorization from the Federal Highways Administration and a lot of jumping through hoops to make it happen.

Ms. Stewart asked if it is the second part that the Board should pull off.

Mr. Porter asked if the obligated RTP funds should become available, why would they be any more likely to be something the Board could utilize with those project that were put on hold.

Ms. Hilderbrand responded that staff do not know if or when the agency will get that money back. If it that money does become available staff will have to apply for authorization for the use of it. If that money is received, staff may not be able to use it in this way. Staff would like to avoid earmarking that money for a particular project when the money may never be received. Staff would prefer to spend that money when it becomes available next year and ask to use it in this way.

Board Action

Mr. Porter: I move that funding be approved at \$1,555,310 for the BLM-Arizona State Office AZ OHV Multi-agency Coordinated Project contingent upon completing the Section 106 requirements and obtaining NEPA concurrence from the Federal Highway Administration, and that the Executive Director or his designee be authorized to execute the participant agreement.

Mr. Hays seconded the motion.

Mr. Porter noted that he is not including anything specific. He would certainly invite the staff to be sensitive to keeping an eye on the recommendations made by OHVAG and note that they would certainly like to see those other two projects funded if it became possible and feasible.

Chairman Pfister called for a vote on the motion on the floor. The motion carried unanimously.

- 5) **Consider Funding FY 2003 Growing Smarter State Trust Land Acquisition Grant Projects.** Staff recommends awarding \$491,825 to the Desert Foothills Land Trust (DFLT) for the purchase of Go John Canyon, Phase IV, conditioned upon DFLT being the highest and best bidder for the parcel at public auction. Staff further recommends approving funding to the City of Phoenix for the purchase of the Sonoran Preserve, Phase IV, provided the city is the highest and best bidder at public auction. The final grant amount will be based on the Arizona State Land Department's (ASLD) final appraised value of the parcel, agreed upon by the City of Phoenix, plus no more than 10% for eligible associated costs. The grant award may not exceed \$18,683,131. Approval of the award is contingent upon the appraised land value being finalized before December 31, 2003.

The Conservation Acquisition Board (CAB) concurred unanimously with this recommendation on August 11, 2003 and added the following caveats:

- a) The City of Phoenix be allowed to amend its application if the appraisal price requires a reduction in the size of the parcel that the City of Phoenix is able to purchase.
- b) Before the Parks Board awards any grant award, the Parks Board should consult with the State Land Commissioner to better understand the relationship between the proposed Phoenix Edge Treatment Plan and disposition of this parcel.

Ms. Hilderbrand reported that 3 eligible applications were received, one of which was withdrawn. There are now 2 eligible applications. The Land Conservation Fund currently stands at \$38,349,911. The statute provides that no more than 50% may be awarded to projects in a single county in any one fiscal year. Because both parcels are within Maricopa County, \$19,174,956 is available for these two projects.

Ms. Hilderbrand stated staff is recommending approving funding for Desert Foothills Land Trust (DFLT) in the amount of \$491,825. Staff is also recommending that the remaining balance of \$18,686,131 be made available to the City of Phoenix contingent upon the appraised value of that parcel be completed by the end of this calendar year. The final grant award will be based on the appraisal and the eligible associated costs.

Ms. Hilderbrand explained that the rationale for making this recommendation is that the City of Phoenix' appraisal has not been finalized yet. Staff would like to make the remaining balance available to them. The reason for cutting off the availability of this money at the end of this calendar year is because a workshop is scheduled for January 14. That workshop educates people on the state of the grant program and available funds. Staff would like to either obligate or not obligate that money by that workshop.

Chairman Pfister asked whether the Land Commissioner felt that appraisal would be ready in time.

Mr. Winkleman responded that he believed they would be finished by then. He stated that he had no problem with that date.

Ms. Stewart stated her concern about placing a contingency on it because the appraisal is not in the control of the applicant. They do a fair amount of work to get to this point. She believes that they should be awarded the funding. If the appraisal is not done by the January 14 workshop it could be announced that staff know there is "X" amount of money available and there is another application from last year. In the unlikely event that it doesn't go through then that money would be available as well. As she understands it, the Land Department contracts their appraisals out. They don't even have total control over when that report comes back. If it comes back one day late, then the applicant has lost their money.

Mr. Winkleman responded that that is possible, however substantial work has already been undertaken.

Ms. Stewart asked if there is a problem should the Board not include that contingency.

Mr. Winkleman responded there was not.

Board Action

Mr. Porter: I move that the Desert Foothills Land Trust grant application for the purchase of Go John Canyon, Phase IV be approved for funding at \$491,825, conditioned upon DFLT being the highest and best bidder for the parcel at public auction, the parcel being monitored through a patent restriction or a conservation easement. The Executive Director or his designee is authorized to execute the participant agreement.

I further move that the City of Phoenix grant application for the purchase of the Sonoran Preserve, Phase IV be approved for funding with the final grant amount being based on the Arizona State Land Department's final appraised value of the parcel agreed upon by the City of Phoenix, plus no more than 10% for eligible associated costs. The total grant award may not exceed \$18,683,131, further conditioned upon the City of Phoenix being the highest and best bidder for the parcel at public auction, and the parcel being monitored through a patent restriction or a conservation easement. The Executive Director or his designee is authorized to execute the participant agreement.

Mr. Hays seconded the motion.

Ms. Hilderbrand stated she would be failing in her duties if she did not point out the Conservation Acquisition Board's (CAB) recommendation. CAB agreed unanimously with staff's recommendation and added two caveats to that recommendation. The first is that the City of Phoenix would like to amend their parcel size depending on the final appraised value. The second is that before the Parks Board awards any grant the Board should consult with the Land Commissioner to better understand the relationship between the proposed Phoenix Edge Treatment Plan and the disposition of this parcel.

Chairman Pfister stated that the first caveat goes without saying.

Mr. Travous added that the second caveat gets the Board into negotiations between the two parties and that he feels the Board needs to avoid that if at all possible.

Ms. Stewart added that they either buy it or they don't.

Mr. Porter asked if a provision should be included in the motion regarding the first caveat.

Chairman Pfister stated her belief that it goes without saying that if there is less money then less land can be purchased.

Mr. Porter responded that he also did not see a great necessity to change the motion. He understands where they are coming from. He does not believe the Board can tell the City of Phoenix what they are or are not allowed to do. If they want to propose to amend it, they can do so and the Board can say "yea" or "nay".

Ms. Hilderbrand pointed out that if the Board does not include the caveats and the City of Phoenix gets an appraised value much higher than expected, they will reduce their parcel size. All that means is that staff will go back to the Board and get an amendment approved.

Ms. Stewart suggested stating that the City of Phoenix can spend this amount of money on as much of the land they can get. She does not believe the Board is in the business of deciding whether or not the price is right for the land.

Mr. Travous responded that he did not believe the Board needed to put the caveats into the Board's motion. He believes staff understands what the Board is trying to do. There is a process in place whereby if something is significantly different staff can come back to the Board with any proper amendments.

Chairman Pfister called for a vote on the motion on the floor. The motion carried unanimously.

Mr. Ziemann expressed his appreciation to the Grants staff for their hard work.

Mr. Travous added that when the agency lost the Assistant Director for Partnerships, Mr. Ziemann took on those responsibilities; when the agency lost its Chief of Grants, Ms. Hilderbrand filled in; and other members of the Grants staff have had medical problems. They have all performed admirably.

Chairman Pfister, on behalf of the Board, thanked the Grants staff for their efforts in completing this grant cycle.

Chairman Pfister noted that there is another member of the public present to speak on an item under Agenda Item Parks.

I. PARKS

2. Board Actions:

a. Sedona Fire District/U.S. Forest Service/Slide Rock State Park - Fire Station MOU

Mr. Ream reported that at the Board's March 20 meeting Mr. Matt Shobert, Sedona Fire District, made a presentation. Since that time, several meetings have taken place. At the last meeting the question of whether everyone was really on board was discussed. In order to determine that, the parties agreed that the best vehicle would be a Memorandum of Understanding (MOU) between ASP, Sedona Fire District, and the US Forest Service (a major player in this proposal). He distributed a copy of the MOU for the Board's review.

Mr. Ream reported that the MOU contains two elements: agreement to continue to meet because this is a worthy project and that the parties may begin expending money. He does not foresee any expenditures of money on the part of ASP, but the other parties may be expending money towards this effort.

Chairman Pfister noted that the Board and its staff will be expending time.

Mr. Porter questioned why the MOU includes a provision for a timeframe whereby the Board must give notice before withdrawal. This is simply an agreement to talk. Why must two weeks' notice be given if the Board suddenly decides it wants to withdraw? He does not see any reason why the Board has to give advance notice if something that caused a very high discomfort level should happen and the Board wanted to stop its participation.

Mr. Travous responded that an MOU is just a memorandum stating what the parties are attempting to do. It serves as a tool. Should things go awry, the Board, at least on paper and on the record, is saying it will give them 30 days to try to rectify the situation. It's just a way to include a way to continue communication rather than allow it to just fall apart and have one party just give up.

Ms. Stewart added that it is a courtesy. Rather than just walk off if there's a miscommunication, the parties should at least be required to notify the others that there is concern and the possibility of withdrawal.

Mr. Travous added that he has requested a time limit where, if progress is not being made, it terminates. Otherwise it just becomes a situation where the parties are always spending time on it with no incentive to accomplish anything. He suggested a year to have something to come back and say whether it will or will not work.

Ms. Stewart responded that she is troubled by only a year. It has taken six months to even get this MOU. She doesn't believe that, when dealing with public bodies, a year is adequate time for public meetings, etc. She is also concerned about automatically terminating the MOU. She believes that within a year's time all of the parties would issue a joint report to their respective entities and then re-evaluate whether or not to continue. She feels that to just automatically terminate the MOU in a year is not enough time for this kind of project.

Ms. Hernbrode suggested adding a Renewal Clause rather than a termination.

Ms. Stewart stated she would rather see a timeline of at least 18 months because of the kind of undertaking involved. She believes everyone feels this is worth pursuing, but it's not the highest priority for everyone. Having too short of a timeline requires people to rush. There are a number of things that need to be done, and they take time.

Mr. Matt Shobert, Sedona Fire District, addressed the Board. He stated his purpose for attending this meeting was to support the MOU. Several meetings were held over the past six months. The advantages to this prospect are almost limitless for each agency involved. The Sedona Fire District fully supports it. He requested the Board to consider this MOU. He agrees that a timeline of one year is a bit limiting. He would hate to see progress halted by a short timeframe.

Mr. Travous noted that if a limit of one year were put in place, at that time another MOU would be issued if the Board wishes to continue on. It is an internal way to ensure it is focused on and not left to drag on.

Ms. Stewart asked whether requiring the issuance of a progress report at that time could attain the same result. The Board could then evaluate whether or not to continue.

Mr. Travous agreed that could be done as well.

Mr. Ream referred to the second paragraph of Covenant 2, which states, "It is contemplated that the collective effort of the representatives of the agencies involved shall, within one (1) year of the effective date of the Memorandum of Understanding, result in the preparation of a written recommendation for consideration by each of the parties . . ."

Ms. Stewart responded that she did not have a problem with that language; she did have a problem with adding something that would automatically terminate the MOU in one year.

Mr. Ream noted there is no effective date on the MOU. He does not know when the Fire District and Forest Service will meet. The effective date can be as of the last signing or it can be January 1, 2004.

Board Action

Mr. Porter: I move that the Arizona State Parks Board authorize the Executive Director to execute the Memorandum of Understanding with the Sedona Fire District and the U.S. Forest Service relating to the fire station and that the effective date will be on the date of approval of the last entity.

Mr. Hays seconded the motion.

Ms. Stewart noted that in the Preamble and in the last WHEREAS sentence there are differences in terms of the purpose of the MOU. The Preamble talks about the purpose of providing enhanced public safety to the citizens and the last WHEREAS clause talks about the common goals and objectives, and interests in protecting Arizona's natural beauty and providing the public with safe access to the same. She wondered whether those two areas should be more consistent by perhaps adding something to the Preamble relating to the purpose being protection of the natural resources and supporting structures and providing the public with safe access.

Ms. Stewart added that the Preamble talks about the development of a fire station located in Oak Creek Canyon at the park and in the Covenants it talks about construction of a permanent fire station to be located at or near. She suggested using the "at or near" language in both places.

Mr. Porter stated he would accept those amendments to his motion.

Mr. Hays, who seconded the motion, stated he would accept those amendments.

Chairman Pfister called for a vote on the amended motion on the floor. The motion carried unanimously, as amended.

b. Hopi Tribe/Homolovi Ruins State Park MOU

Mr. Ream reported that the Parks Board directed staff to work with the Hopi Tribe regarding potential partnerships involving Homolovi Ruins State Park. Both ASP staff and tribal staff worked on the MOU. The timing is not nearly as important as it was since the Hopi Tribe will not meet again until December 16. They are, however, planning to attend the Board's meeting in Benson in October. He wanted to ensure the Board had ample time to review and make changes and that the Tribe would have time to respond. This is the Board's opportunity to review the MOU and amend it.

Mr. Porter stated he had two concerns – one specific and one general. The specific concern is that he would prefer not to have the language in Section 2, Paragraph C that indicates "potential for acquisition of State Trust Lands within and around the Park by the Hopi Tribe" and again "private lands around the Park available for possible Hopi acquisition". He believes we are all in agreement that somebody at some point ought to be acquiring some of these lands. Maybe it should be the Hopis; maybe it should be the

Board; maybe it should be the City of Winslow. He does not want to send signals that the Board's primary focus is to have the Hopis buy the Board's land. He asked if there is any problem with making it more general and deleting any specific references to who would be buying land.

Mr. Ream responded that he was hesitant to speak for the Hopi Tribe. When this discussion began they were interested in buying the park from the Board. The acquisition component of this discussion has always been a touchy subject to deal with. The idea of this is that Homolovi remain a public access park. It would be his personal preference that it remain an Arizona State Park. ASP has parks where it does not own the land. It doesn't matter to him who owns the land as long as the lease fee is right. He would have no heartburn with leaving the acquisition of the land up to whoever has the money at the time. If it were today, it would not be the Board.

Mr. Porter stated that he recognized that the Board may very well want the Hopis at some time to purchase some land. This language makes it sound as though it is uniquely aimed at getting the Hopis to buy land. That is one change he would make.

Mr. Winkleman asked why this section targets State Trust Land rather than private or public land.

Chairman Pfister responded that it may be because there is a lot of State Trust Land around the park.

Mr. Winkleman noted that that area is part of the Land Department's "checkerboard" pattern. If it's Trust land, then there is private land right next to it.

Mr. Porter noted that the language does say, "identify relevant private lands around the Park available for possible Hopi acquisition" as well. He would like to eliminate the phrase in the second line "by the Hopi Tribe" and then in the fourth line simply eliminate the word "Hopi". That would clean that section up. It is almost too specific.

Ms. Emery noted there was some understanding that the Hopi had already acquired some sections that were "checker boarded" within the park's boundaries. Staff now question whether that actually occurred.

Mr. Porter responded that that is one of the reasons he does not necessarily want to encourage more of that just yet. There are politics involved here, too. They are a sovereign nation that holds elections and they change officials. Not everyone in the Tribe is in agreement on this issue. The Board has a very good relationship with the current leaders. If that changed, the Board could very well find itself in a very different situation. He does not want to burn any bridges.

Mr. Porter stated his second concern is that he does not want to lose sight of the fact that there are other players up there, particularly the City of Winslow as well as other communities (i.e., Holbrook) that should probably be included in this overall attempt to make it a viable partnering operation. The only mention of Winslow is in passing.

Mr. Porter asked whether staff felt the Hopi Tribe would have any problems with an attempt to bring Winslow into these discussions.

Mr. Ream responded that, from the meetings he attended, initially they did not want to bring Winslow into it. He believes that once an MOU is in place that is exactly what

should be done. He believes they would be agreeable at that time. This MOU allows for the Board to make amendments to it over the life of the three-year term. He believes things will be added to it frequently.

Mr. Travous stated his belief that, at this juncture, the Hopi Tribe wants to deal just with the Board and are not comfortable expanding out yet.

Mr. Porter responded that he does not want to lose track of the fact that there are other players up there who probably have a very legitimate reason to be drawn in. Another reason he has discomfort with specifying that the Hopis purchase land is that he does not want to alarm the people in Winslow. He does not want them to think that the Board is suggesting that the Hopis go out and buy up all the land.

Chairman Pfister asked whether staff is looking for Board approval on this MOU today.

Mr. Porter stated that he would make a motion.

Board Action

Mr. Porter: I move that the Arizona State Parks Board approve the proposed Memorandum of Understanding with the Hopi Tribe with the provision that the specific references to purchase of property by the Hopi Tribe be deleted. The effective date shall be as of the approval of the last entity.

Mr. Hays seconded the motion.

Ms. Stewart stated that she has concerns about any agreement to acquire land within the park. She believes that raises issues of selling the park. The Board has not had public input as the Board stated they wanted to have at the meeting in Parker. When Chairman Taylor met with the Board none of the words "sale", "purchase", or "acquisition" were used. She believes it is premature to talk about having a sovereign nation purchase land within the park.

Mr. Porter noted that when the phrase "within the park" is used as it is here he does not want that to be construed as property the Board already owns.

Chairman Pfister responded that there is land within the park that the Board does not own.

Ms. Stewart added that the park is composed of land that the Board owns and State Trust Land that the Board leases. This language says the Board will encourage the Hopis to purchase the State Trust Land. They would then become the Board's landlord. She believes that is premature. The people of Winslow were not involved during the Board's discussions either if the two times the Board was in Winslow. The Hopis have indicated that they are not in a position to manage the park. The Board would be leasing land from a sovereign nation. That is a lot different from leasing land from the Land Department.

Mr. Porter responded that by having eliminated the suggestion that the Hopis acquire property the Board is saying to explore the potential for acquisition of State Trust Land within the park. That certainly leaves the question open as to whom it is talking about – and that certainly could be the Board. He doesn't see a problem by leaving out the phrase. It still leaves the subject of the trust lands on the table and the Board could very decide this is something it should do.

Ms. Stewart stated she still has a concern. She believes the only thing the parties should be talking about now is acquisition by ASP of the Trust Lands within the park, and then discuss acquisition of other lands by either them, the Board, or some other appropriate entity. It seems to her that the Board would be better off leaving out the part about the land acquisition plan. The parties should be working on the other two things and the marketing plan (the second half of C). The Board should start looking at whether there should be a joint land plan after working with them for a couple of years to see how things are going. This is not what was presented to the Board when Chairman Taylor came to the meeting. It is going well beyond what is necessary and the Board is putting itself in an awkward position with the public. There was a big outcry over Spur Cross regarding things that were done quietly. She believes the Board will antagonize the City of Winslow by entering into something before talking with them. She believes that if the MOU is limited to those three items the Board will be a lot safer.

Chairman Pfister asked if there is an amendment to the motion on the floor.

Ms. Stewart responded that she would like to amend the motion to change Section 2, Item C to Marketing Strategy and delete everything up to "develop a marketing strategy for the development of Homolovi as a significant tourist draw, an educational resource and a link between the economies of the Hopi Tribe, the City of Winslow and northern Arizona in general." She does not believe that can offend anyone; it is important; and it is one of the things Chairman Taylor talked about doing.

Mr. Porter, as maker of the motion accepted the amendment.

Mr. Hays, who seconded the motion, accepted the amendment.

Mr. Cordasco asked for clarification on Section 2, Item A regarding Partnerships.

Chairman Pfister responded that there is a small visitor's center in the park. There may be a potential for the Hopis to finance an expansion of the visitor's center and add a larger gift shop. The Board would still own it, but they would donate towards increasing the structure.

Ms. Stewart noted that, in the same section, there may be an inaccuracy. She asked why it discusses possible campgrounds since there is a campground already in the park.

Ms. Emery responded that was an issue the Hopis requested. She doesn't understand why they wanted that language added.

Mr. Porter suggested that it is to provide for a larger interpretive center and possible campgrounds, trails, etc.

Ms. Stewart suggested deleting the word "possible".

Mr. Ream pointed out that it refers to possible campgrounds beyond the current park boundaries rather than within the park.

Chairman Pfister called for a vote on the amendment to the motion on the floor. The amendment carried unanimously.

Chairman Pfister called for a vote on the motion on the floor as amended. The motion as amended carried unanimously.

Mr. Ream stated he would contact the Hopis and inform them of the Board's changes. He does not anticipate this will be a huge problem.

Mr. Porter noted that this is an interesting test. If they raise significant objections over the deletion of the acquisition, it may signal to the Board where their interests do lie.

Chairman Pfister noted this is another foray into privatization.

G. ADMINISTRATIVE SERVICES

1. Section report – Budget Update

Mr. Siegwarth reported staff submitted a budget to the Governor in the required format by September 1. Budget discussions have begun. It is early in the game.

Chairman Pfister noted that they are already in negotiations. They have never begun budget negotiations this early.

Mr. Ziemann noted that, unlike the last session, the legislators do not plan to be in session in the middle of June. They want to get the budget done so they can begin campaigning for re-election.

Ms. Stewart asked what staff are doing prior to the session to ensure there are people negotiating on the agency's behalf. She asked if there are meetings being scheduled with legislators or plans for legislative tours at the parks so they understand what is going on in the park system other than just at Kartchner Caverns State Park (KCSP), how the agency operates, and what the agency needs.

Chairman Pfister suggested talking about using the opportunity of the opening of the Big Room to encourage elected officials to participate under the next Agenda Item.

I. PARKS

1. Section report

Big Room Opening

Mr. Ziemann reported there is a group that is continuously meeting and working on the Big Room opening. He described the itinerary as follows:

Thursday, November 6

Governor/Legislative Day. The morning will be focused mostly on the media. From 1:00-6:00 p.m. there will be a series of events that will include the Governor, legislative staff, Parks Board, continuous tours of the cave, ribbon cuttings, and the new Ed Mell painting display. The Board should plan to be there for that.

Mr. Travous added that either Thursday or Friday evening there will be something planned with the Friends of Kartchner Caverns State Park.

Friday, November 7

Nothing scheduled at this time.

Chairman Pfister suggested offering tours for legislators who could not make it on Thursday.

Mr. Travous responded that the park staff have requested keeping days available for them to unwind and prepare for the public opening on the 11th.

Chairman Pfister asked whether former Board members will be invited.

Mr. Travous responded that he does have a list of former Board members and they will be invited.

Saturday/Sunday, November 8/9

Diamondbacks Charities/Friends of KCSP events

Chairman Pfister asked how those sales are going.

Mr. Ziemann responded that there were 500 slots available at \$150 each. Just a handful of tickets for Sunday morning remain. There were some problems with the website. It has been a wonderful foray.

Monday, November 10

Nothing scheduled. A day for the park to rest and prepare for the opening to the public.

Tuesday, November 11

Public opening of the Big Room

Mr. Ziemann reported that media coverage has begun. Mr. Florentine will be at the cave on October 10 for final lighting. Practice tour tickets are beginning to sell and will run from October 20 to November 3. Things are moving along.

Ms. Stewart asked how far out tickets for the Big Room are sold.

Mr. Ziemann responded that November 11 is sold out; Thanksgiving week is sold out; Christmas is still available. The push with the media has not yet really begun. The closer to the opening the more newsworthy it becomes. Reservations increased after the television coverage last week.

Mr. Porter suggested that the tickets may not be selling so quickly because of a perception by a lot of people that everyone is buying up the tickets. They may be staying away because of they expect it to be extremely crowded.

Ms. Stewart noted that it was mentioned at the last meeting that one of the reasons for teaming up with the Diamondbacks was the expectation of national television coverage during the games. She asked if that is still the case.

Mr. Ziemann responded that the Diamondbacks did a series of promotions for this event that ran during the radio broadcasts, televised broadcasts, on their website, and in flyers to their season ticket holders. Every time it runs there are 500,000 people who hear that ad on the radio and television. It is advertising the agency cannot afford.

Mr. Travous noted that the Monday after these promotions \$20,000 worth of tickets to the Big Room were sold. There are still tickets available. As it gets closer to the opening the media will become more interested in doing stories. Channel 3 already plans on returning. They did a report last week and the ticket sales went up. They will be back closer to the opening to do another story. There is a perception that there aren't any

tickets so why bother. The number of slots are so small that once it's made known that tickets are available it turns so quickly that if people don't call the next day there may not be any tickets available that day after that.

Ms. Stewart noted that some of the money the Diamondback Charities received from these ticket sales may be used to take children on trips. She suggested that it would be good publicity for them to take school children to some of our historic parks for an educational day (Fort Verde, Tubac, Oracle, etc.) where these activities have declined due to less availability of money for schools to hire buses. It would be terrific if it could be suggested that some of the proceeds they got from this be used to take children to historic parks.

Mr. Ziemann responded that the Diamondbacks are a wonderful opportunity for the Board to partner with. The demographics of the people who follow the Diamondback games are so closely aligned with the demographics of the people who are interested in our parks and are going to our parks. The match is a good one. Even if the contributions through this program do not directly result in them funding children to go to Fort Verde or Tubac, it cannot help but make them more familiar with the things this agency does. There are more and more opportunities for working with them because they can support what ASP does and ASP can support what they do for children.

Mr. Ream reported that staff were in the cave last week. The bats have left. Crews are performing the finish-up work. The electric system has been charged. Things appear to be working.

Mr. Ream added that there will be a tour the afternoon or evening prior to the October Board meeting.

Sonoita Creek Natural Area/ Resources Management, including current acquisition, future acquisitions (San Cayatano Mountains, Santa Cruz River, and trail easements)

Mr. Ream noted that there are many opportunities coming up for the Sonoita Creek Natural Area.

Ms. Emery reported that Sonoita Creek is blossoming. The acquisition has closed. Part of it was a 10-year cooperation agreement with Rio Rico. There was a meeting in early August with representatives of Rio Rico to run through the items contained in that agreement to see how to proceed. Representatives of the WLB Group, their design and planning group, were also in attendance. Work has begun on the donation of the natural area. They will be donating \$50,000 per year for four years. A donation account has been set up for that money.

Ms. Emery noted that there was discussion with the design group about what to do in that area. Staff will be amending the Master Plans as they currently exist and looking at what to actually put in place on the ground in the riparian corridor, which goes directly into the Rio Rico community. There is a high public access right now, some of it undesirable in terms of off-highway vehicles. A fence and some signage have been installed. The WLB Group is very excited about working with staff. There have been discussions regarding design motifs, interpretation, trails locations, ramadas, seating areas, etc. They will provide staff with some relief maps. Rio Rico is also very cooperative. If, in the laying out of the trail, staff discover that a little more land is

needed to provide sufficient buffer and seeding, they are more than willing to give the Board easements. It was a very good meeting.

Ms. Emery added that it appears that the riparian corridor will be divided into two portions. At some point there was discussion about three. It will look like an urban park. There will be a hardened surface where people can push their strollers or go for an evening walk. Closer to the more natural area there will be a clear division and it will go back to the type of trail that exists. That is probably where a fee station or some type of control point will be located.

Ms. Emery noted there is a lot of public interest and public involvement. There has already been a lot of interest among the community as well as a lot of talk about what is really happening and what kind of place it will be. Rio Rico is anxious to promote it. Their advertising agency has already put out a press release (Rio Rico – A Trail Runs Through It) that talked about the partnership of the two entities and what it could mean for the community.

Ms. Emery reported that a lot of time has been spent meeting with people. There is the possibility of developing a Friends group and definitely a core of volunteers. Because of the minimal staffing (2 people overseeing 5700 acres) eyes and feet will be needed on the ground. There is a small cadre of people who are local members of the community who patrol the corridor now. Staff will be going out to community events with PowerPoint presentations and a desktop unit with nice pictures to try to gather more volunteers.

Ms. Emery reported that discussions have begun regarding the November 20 event. It's not really a groundbreaking; it's not really a ribbon-cutting event. One suggestion is to have Rio Rico provide an information kiosk that can be updated as the project progresses that would serve as the unveiling of the cooperation celebration. It is currently being planned for the morning of November 20.

Ms. Emery noted that originally a Phase II to this acquisition project was planned that would include the San Cayatano Mountains. Staff have received an appraisal on 2700 acres. The appraisal came in at \$500 per acre. That appraisal is being reviewed. Additional due diligence is required. Chief among them is a site visit by the Natural Areas Program Advisory Committee (NAPAC) to look at the natural attributes of the area and determine whether it is eligible for acquisition under Natural Areas funding (the key source of funding for this project).

Chairman Pfister asked if there is enough money to acquire it at the appraised value.

Ms. Emery responded affirmatively. She stated there is just under \$3 million at this point. There are monthly distributions into that account. This acquisition will come in at about \$1.3 million.

Chairman Pfister asked if staff will seek approval at the next Board meeting.

Ms. Emery responded that she did not know. NAPAC will meet up in the White Mountains to tour some wildlife areas at the end of the month. Staff needs to get the committee out to this area. NAPAC has recently been focusing on activity wildlife corridors. This mountaintop provides a different type of habitat than the riparian corridor. She distributed a map that included the area being discussed. There will be a connection from the mountain down to the riparian area itself.

Chairman Pfister asked if this acquisition could be announced in November as well.

Mr. Travous responded that he has encouraged staff to push for the approval so that it can be announced in November and make it a part of the celebration.

Ms. Stewart asked if there will be an easement to connect these two areas.

Ms. Emery responded that it will be a trail corridor. She added that part of the transaction was completed in June and involved a donation of two separate parcels by Rio Rico. Everything is in place, although they haven't quite donated them yet. They are waiting for the Board to ask for them. Staff are pausing because at the beginning of these discussions, Avatar (parent company of Rio Rico Properties) volunteered the notion of Rio Rico building a visitor's center for the Board. Staff are exploring that possibility now. There is high interest in Avatar doing this. It may be prudent to have Avatar construct the visitor's center on the parcel that they currently own and then have them donate it to ASP in tact. It would be on Pendleton Drive. Those discussions are taking place.

Ms. Emery added that there is an additional parcel that would be donated closer to where the fee entry station will be located for a residents' trailhead.

Arizona Game and Fish Coal Mine Canyon Acquisition Update

Ms. Emery reported that the Game and Fish Department applied for a grant to acquire acreage at Coal Mine Canyon because of endangered topminnow habitats. They received a grant to acquire land there under the Fish and Wildlife Service Endangered Species Habitat Protection Plan. With the assistance of the Trust for Public Lands they are in negotiations with the landowner to determine how much land they can get for the dollars they have and where those boundaries will be. There was a site visit last week. The Board has agreed to manage that natural area for the AZ Game and Fish Department.

Mr. Ream stated that he believes it was Ms. Emery's work with Avatar and Rio Rico on this project that has allowed this to escalate. She and her staff worked very hard on this first acquisition. That is why the San Cayatano is available; there may also be a trail corridor coming down from the north end of the San Cayatanos to the Santa Cruz and meets up with the Anza Trail and comes full circle back to the visitor's center. It could be as much as a 30-mile loop.

Special Events

Ms. Hawks reported that Dead Horse Ranch State Park will be having its Verde River Days. She encouraged the Board members, especially those who have never been to this event, to attend. It is a community event. It is a major event. Oracle State Park will have its Second Annual Pumpkin Festival. Fort Verde Days is coming up. This is a chance to see a lot of the volunteers in period costume.

J. SUMMARY OF CURRENT EVENTS, MATTERS OF BOARD PROCEDURE, REQUESTS AND ITEMS FOR FUTURE AGENDAS

Ms. Stewart requested presentations on Tubac and Tombstone at the October Board meeting.

Ms. Stewart noted that she and Mr. Porter attended the History Convention Board meeting. There is an opportunity to host an event at Roper Lake State Park in conjunction with the History Convention that could include a tour of Dankworth Pond. There are fantastic opportunities during the next two years. The History Convention will be in Flagstaff in 2005. ASP should certainly attempt to get Riordan Mansion as the site for the reception. They would probably be interested in a tour to Homolovi and perhaps Jerome and Fort Verde.

Mr. Porter noted that they are more interested in a tour at Slide Rock because of the orchards and historic agricultural activity in the canyon. Riordan would certainly be a showcase. He noted that the convention in Flagstaff is set for April 21-23, 2005 and will showcase parks. It will be dedicated to state parks. The Board will have as much activity as it wants. Traditionally, the folks who have the spotlight in the conventions really do get the spotlight. Usually during the first hour-and-a-half after the opening plenary session there is a panel discussion or presentation centered upon that entity. There will be an opportunity to really put the parks in the spotlight. Later on there can be papers presented or presentations on the parks. He would like to see at least two sessions for this type of thing. This is all for the future. It would not be a bad idea to treat this as a suggestion for a future Board Agenda and begin discussing what kind of involvement to undertake. It will be an exciting event.

Ms. Stewart added that this year there will be a detour to Oracle where people can drive themselves and stop and visit. It will not be a bus tour, but rather it will be individuals driving and visiting.

Mr. Porter made a motion to enter Executive Session. Mr. Hays seconded the motion. The motion carried unanimously.

The Parks Board went into Executive Session at 1:07 p.m.

The meeting reconvened at 1:17 p.m.

K. TIME AND PLACE OF NEXT MEETING

Staff recommend the next meeting be scheduled for October 16, 2003 in Benson, AZ.

L. ADJOURNMENT

There being no further business to come before the Board, Ms. Stewart made a motion to adjourn. Mr. Hays seconded the motion. The motion carried unanimously. The meeting was adjourned at 1:18 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

Kenneth E. Travous, Executive Director

APPROVED

Suzanne Pfister, Chairman